

STATEMENT OF PURPOSE

RS28155 / H0079

This purpose of this legislation is to adopt a recent NAIC model regulation in statute rather than rule which clarifies the obligations for insurance producers and insurers to act in the best interest of the consumer when making a recommendation of an annuity, to establish producer training expectations, and to require insurers to establish and maintain a system to supervise recommendations so that the insurance needs and financial objectives of consumers at the time of the transaction are effectively addressed. It also clarifies and simplifies the applicability of the annuity statutes in Chapter 19, Title 41, Idaho Code. Several of the provisions of the act besides the best interest standard are currently in IDAPA; this act moves those provisions to statute.

FISCAL NOTE

There is no fiscal impact to the General Fund or any other state fund or expenditure in as much as the provisions of this bill can be reviewed and monitored with the Department's current and requested appropriation.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).